large quantity of scrap is being produced due to spurious ferrous manganese/ferrous silicon in the Bhilai Steel Plant;

(b) whether, as a result thereof the quality of railway tracks has deteriorated and Government have suffered huge losses;

(c) if so, for how many years adulteration has been going on and the action taken against the active transporters and the involved guilty persons;

(d) whether such process is going on in other plants of SAIL also; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) No, Sir.

(c) to (e) There is no evidence that supply of adulterated silico-manganese in BSP is continuing for many years. Silico-manganese is supplied to BSP by Maharashtra Elekrosmelt Ltd. (MEL), Chandrapur, a subsidiary of SAIL. The material is dispatched from MEL to BSP through private transporters appointed by MEL.

As and when any complaint or information is received regarding any adulteration, the concerned authorities in SAIL Plants take action and also report the matter to the local police, who carry out their independent investigation against the accused.

**Losses of SAIL**

433. SHRIMATI VANGA GEETHA:
DR. ALLADI P. RAJKUMAR:
DR. T. SUBBARAMI REDDY:
SHRI MOOLCHAND MEENA:
SHRI K. KALAVENKATA RAO:

Will the Minister of STEEL be pleased to state:

(a) whether the losses of Steel Authority of India Limited have increased during the year ending 31st March, 2002;

(b) if so, the figure of losses during this year and during the year 2000-2001 separately;

(c) whether Government have analysed the reasons for the increasing losses; and

(d) if so, the details thereof and the steps taken to check the losses?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) Yes, Madam/Sir. The Steel Authority of India Limited (SAIL) has incurred loss of Rs. 1707 crores during 2001-2002, as against Rs. 729 crores in 2000-2001.

(c) and (d) The main reasons for losses incurred by SAIL are:

- Stagnation in steel consumption due to slowdown in the economy;
- Low sales realization;
- Sluggish exports due to protectionist policies of various countries;
- High capital investment in the modernization projects leading to increased expenditures on interest and depreciation; and
- High manpower costs.

Government of India had approved a financial cum business restructuring package for SAIL in February, 2000, SAIL is currently undertaking the following steps to improve its performance:

- Intensive cost control drive which envisages improvement of yield, reduction in consumption of coking coal and other raw material, reduction in consumption of power and fuel, reduction in consumption of stores and spares, improvement in other key techno-economic parameters, etc.
- Implementation of Voluntary Retirement Scheme (VRS).
- Market oriented product-mix, increasing sales network and more focus on customer satisfaction etc.
- Quality improvement to meet customer requirements and schemes relating to statutory requirement like safety, environment etc.
- Restriction of fresh investment proposals except ongoing scheme.